



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 2, 1998

H.R. 3603

A bill to authorize major medical facility projects and major medical facility leases for the Department of Veterans Affairs for fiscal year 1999, and for other purposes

As ordered reported by the House Committee on Veterans' Affairs on April 1, 1998

SUMMARY

H.R. 3603 would authorize appropriations for construction projects and leases at medical facilities of the Department of Veterans Affairs (VA). CBO estimates that enacting the bill would result in outlays of about \$9 million in 1999 and \$203 million over the 1999-2003 period, assuming appropriation of the authorized amounts. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The bill would authorize appropriations of \$205.3 million to complete several projects that are specified in the bill. The bill would also authorize appropriations of \$8.5 million for leasing agreements for three satellite outpatient clinics. The following table shows CBO's estimate of the budgetary impact of the bill over the 1999-2003 period, assuming appropriation of the authorized amounts. The costs of this legislation would fall within budget function 700 (veterans affairs).

TABLE 1. BUDGETARY IMPACT OF H.R. 3603 ON SPENDING SUBJECT TO APPROPRIATIONS
(By fiscal year, in millions of dollars)

	1998	1999	2000	2001	2002	2003
Major Construction						
Spending for Major Construction						
Under Current Law						
Budget Authority ^a	209	0	0	0	0	0
Estimated Outlays	328	287	209	121	51	8
Proposed Changes						
Authorization Level	0	205	0	0	0	0
Estimated Outlays	0	1	33	64	60	37
Spending Under H.R. 3603						
Authorization Level ^a	209	205	0	0	0	0
Estimated Outlays	328	288	241	185	111	46
Leasing Agreements						
Spending for Medical Care						
Under Current Law						
Budget Authority ^b	17,739	17,739	17,739	17,739	17,739	17,739
Estimated Outlays	17,615	18,122	17,763	17,739	17,739	17,739
Proposed Changes						
Authorization Level	0	9	0	0	0	0
Estimated Outlays	0	8	1	0	0	0
Spending Under H.R. 3603						
Authorization Level ^a	17,739	17,748	17,739	17,739	17,739	17,739
Estimated Outlays	17,615	18,130	17,764	17,739	17,739	17,739
Total Proposed Changes						
Authorization Level	0	214	0	0	0	0
Estimated Outlays	0	9	34	64	60	37

NOTE: Details may not add to totals because of rounding.

a. The 1998 level is the amount appropriated for that year.

b. The current law amounts shown here assume that appropriations remain at the 1998 level. If they are adjusted for inflation, the base amounts would rise by about \$600 million a year, but the estimated changes would remain as shown.

In addition, the bill would authorize other projects that would not require new appropriations. First, the bill would authorize VA to spend \$13 million to construct a parking structure at the medical center in Denver, Colorado. For this project, VA would be required to use \$12 million from balances in the Parking Revolving Fund and \$1 million from certain appropriations provided prior to 1999 for major construction projects. Second, the bill would authorize VA to use \$10.5 million in unobligated balances to build ambulatory care facilities. The funding would be derived from amounts appropriated for fiscal years beginning before 1999 and that remain available for obligation. CBO estimates that these authorizations would have no budgetary impact because the annual spending for the newly authorized projects would not differ significantly from spending for the projects that were funded originally.

PAY-AS-YOU-GO CONSIDERATIONS: None

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

The bill contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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